



GARY R. HERBERT
Governor

SPENCER J. COX
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

August 26, 2015

CERTIFIED RETURN RECEIPT
7013 3020 0002 3659 5811

Barry Peterson
Gold Star Stone, Inc.
1600 East Cottonwood
P.O. Box 62
Oakley, Idaho 83346

Subject: Five-Year Evaluation of Reclamation Surety, Gold Star Stone Inc. Lone Pine Quarry, M/003/0050, Box Elder County, Utah

Dear Mr. Peterson:

The Division of Oil, Gas and Mining has reviewed the reclamation surety for the Lone Pine Quarry (copy enclosed). Currently the Division holds \$48,900.00 (in 2010 dollars) as surety for this site. The reclamation costs were updated to current costs and escalated five years. The new surety amount required for this site is \$54,800, an increase of \$5,900. Please provide the updated surety by October 30, 2015.

You may provide an increase to an existing certificate of deposit (CD), or provide a new CD for the additional amount. You may also provide a letter of credit, cash, or a surety bond for either the increased or the full amount. Please contact Penny Berry at 801-538-5291 for assistance. Current bonding forms are available on the Division's web site at ogm.utah.gov.

In addition, the Division's records show the annual permit fees have not been paid for years 2012, 2014, and 2015 (\$500 per year for a total of \$1500). These annual permit fees are now overdue. Authorization to mine at the Lone Pine quarry is suspended until the Division receives the past due fees, and the Division may revoke the Notice of Intention to Commence Large Mining Operations and order immediate reclamation if the fees are not paid. If you believe the Division's records are in error, please provide copies of cancelled checks or other evidence of payment.

Thank you for your cooperation in keeping your reclamation surety current. If you have any questions concerning this letter, please contact Lynn Kunzler at 801-538-5310 or me at 801-538-5261.

Sincerely,

Paul B. Baker
Minerals Program Manager

PBB:mbt:pb
Enclosure: Reclamation Surety Estimate
p:\groups\minerals\wp\m003-boxelder\m0030050-lonepine\final\escalate-08242015.doc

1594 West North Temple, Suite 1210, Salt Lake City, UT 84116
PO Box 145801, Salt Lake City, UT 84114-5801
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Lone Pine Quarry M/003/0050
Surety Escalation

August 24, 2015

	Percentage increase/year		Surety amount in <year> dollars
2001	4.21%	1.0421	
2002	2.02%	1.0202	\$0.00
2003	1.71%	1.0171	\$0.00
2004	0.84%	1.0084	\$0.00
2005	3.99%	1.0399	\$0.00
2006	5.44%	1.0544	\$0.00
2007	2.12%	1.0212	\$0.00
2008	-3.40%	0.966	\$0.00
2009	2.90%	1.029	\$46,110.00
2010	1.80%	1.018	\$47,447.19
2011	2.90%	1.029	\$48,301.24
2012	3.40%	1.034	\$49,701.98
2013	1.50%	1.015	\$51,391.84
2014	-1.31%	0.987	\$52,162.72
2015	-1.00%	0.99	\$51,641.09
2020 Escalation rate 1.2%		1.012	\$54,814.819 Average of previous five years
Rounded to nearest \$100			\$54,800.00

Note: The surety amount is listed in the row of the year in which it was calculated.
The escalation factor for a year is applied to the surety amount to take it to the next year.